

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT

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In Re

G & D LEASING, INC.

Debtor,

-----X

Chapter 11 Case No.  
19-35795

FILED  
US BANKRUPTCY COURT  
2019 MAY 16 P 12:41  
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AFFIDAVIT OF DINO R. TOSCANI  
PURSUANT TO RULE 1007-2 OF THE LOCAL BANKRUPTCY  
RULES FOR THE SOUTHERN DISTRICT OF NEW YORK IN  
SUPPORT OF FIRST-DAY MOTIONS AND APPLICATIONS

STATE OF NEW YORK)

) ss:

COUNTY OF ULSTER )

Dino R. Toscani, being duly sworn, hereby deposes and says:

1. I am the President of G & D Leasing, Inc. (the "Debtor") in possession in this Chapter 11 case. In that capacity, I am familiar with the Company's day to day operations, businesses and financial affairs.
2. This affidavit is made pursuant to Rule 1007-2 of the Local Bankruptcy Rules for the Southern District of New York (the "Local Bankruptcy Rules") to assist the Court and other parties in interest in understand the circumstances that compelled the commencement of this chapter 11 case and in support of (i) the Debtor's petition for relief under chapter 11 of title 11 of the United State Code (the "Bankruptcy Code") filed on the date hereof (the "Commencement Date") and (ii) the relief, in the form of motions and application, that the Debtor has requested of the Court.
3. Except as otherwise indicated, all facts set forth in this affidavit are based upon my personal knowledge, my review of relevant documents, or my opinion based upon experience, knowledge, and information concerning the Debtor's operations and

financial affairs. If called upon to testify, I would testify competently to the facts set forth in this affidavit. I am authorized to submit this affidavit on behalf of the Debtor.

4. Section I of this affidavit provides an overview of G & D Leasing, Inc.'s business. Section II describes the circumstances giving rise to the Debtor's commencement of this Chapter 11 case. Section III describes certain information required by Local Bankruptcy Rule 1007-2, and also explains how exigent circumstances made it impracticable to furnish all of the schedules and lists required by that rule.

I.

THE G & D LEASING, INC.

5. G & D Leasing, Inc. is a leasing company that leases restaurant equipment, furniture, fixtures and other equipment to restaurants and buildouts for turnkey operations. Said Company has been in business approximately 17 years.
6. The company has significant assets in rental equipment valued at approximately 250,000.00.

II.


THE CIRCUMSTANCES GIVING RISE TO THE DEBTOR'S COMMENCEMENT  
OF CHAPTER 11 FILING

7. Debtor was owed from a client the amount of \$ 697,000.00. Said client was unable to pay Debtor and offered a Deed in Lieu subject to a foreclosure action. Debtor accepted Deed in Lieu not knowing that the previous owner's lender placed an illegal UCC 1 and further UUC -3 extension financing security form recorded in the Ulster County Clerk's office against all furniture in fixtures in the building even though the lender was put on notice by Debtor in 2018 that Debtor OWNED the furniture and fixtures and the lender could not extend the UCC-1 because the previous owner was not the owner of the furniture and fixtures etc. Debtor then politely asked lender to terminate the UCC-3 in favor of the debtor to use the \$ 697,000.00 owed to it as a down-payment on the property to obtain a mortgage to pay-off the outstanding mortgage which my deed in lieu was subject to. However, the current lender refused to do so forcing this Chapter 11 filing.

SECTION III

INFORMATION REQUIRED BY LOCAL BANKRUPTCY RULE 1007-2, HOW EXIGENT  
CIRCUMSTANCE MADE IT IMPRACTICAL TO FURNISH ALL OF THE SCHEDULES  
AND LISTS REQUIRED BY THAT RULE.

8. The exigent circumstances in this case are quite extreme. The previous lender as stated, refused to work with G & D Leasing, Inc., to rectify the situation with the UCC-1 and UCC-3 to terminate and allow G & D Lending to obtain financing to pay-off the existing mortgage. Whereby said Debtor has applied for reorganization in Chapter 11, in order to secure a loan to pay-off the outstanding mortgage with the previous lender.

  
DINO R. TOSCANI

Sworn to before me this 15  
Day of May, 2019.

  
Notary Public  
Diana L. Spada

DIANA L. SPADA  
Notary Public, State of New York  
No. 01SP6015355  
Qualified in Ulster County  
Commission Expires Oct. 26, 2021